



Andina Signs Letter Agreement to Purchase Water Rights near the Volcan Gold Project

TORONTO, January 2, 2008 - ANDINA Minerals Inc. (TSXV:ADM) (“Andina”) is pleased to report that it has entered into a letter agreement to acquire water rights, at a total volume of 340 litres per second, from Inversiones y Asesorias en Recursos Hidricos S.A. (“Recursos Hidricos”). Subject to the conclusion of legal and technical due diligence, drafting of definitive documentation, and receipt of necessary approvals from the TSX Venture Exchange, on May 30, 2008 Andina will issue to Recursos Hidricos 6.7 million Andina common shares for the purchase of the water rights. The shares will be subject to a four month hold period.

The water rights are located approximately 20 kilometres northeast of the three gold deposits outlined by Andina on its Volcan Gold Project which is located in Chile’s Maricunga Gold Belt. As at the last resource estimate date of October, 2007, the deposits host measured and indicated resources of 115.1 million tonnes grading 0.79 grams per tonnes gold (“g/t Au”) for 2.93 million ounces of contained gold with a further 170.3 million tonnes grading 0.77 g/t Au for 4.20 million contained ounces of gold in the inferred category. Presently, Andina is in the midst of a 50,000-metre drilling program with the goal of increasing the known gold resource base, converting inferred category gold resources to the measured and indicated category and drilling high priority targets throughout the 9,500 hectare property.

“With our agreement to purchase these water rights, Andina has taken another major step forward towards the development of the Volcan Gold Project.” said Carl Hansen, President and CEO of Andina. “Considering the renewed interest in the Maricunga Gold Belt from major gold producers, it was important for Andina to limit uncertainty as to where it would source water for a potential mining operation at Volcan. The price to be paid is inline with recent similar transactions for water in the region.”

The amount of water which will be required by Andina for potential mining operations at Volcan is at this time unknown. The Maricunga Mine, previously known as Refugio, a 40,000 tonne per day, gold heap leach operation located approximately 20 kilometres southwest of the Volcan Gold Project, has water extraction rights totalling 258 litres per second (“Technical Report for the Refugio Gold Mine” filed by Kinross Gold Corporation April 13, 2007 on www.sedar.com). It is anticipated that scoping-level studies on the Volcan gold deposits, which will include an analysis of water requirements, will commence during the second half of 2008.

NATIONAL INSTRUMENT 43-101 COMPLIANCE REPORT

Under National Instrument 43-101 (“NI 43-101”) of the Canadian Securities Administrators, the qualified person for the Volcan Gold Project is Ralph Gonzalez, a resident of Burnaby, British Columbia, Canada. Mr. Gonzalez is a professional engineer registered with the Association of Professional Engineers of the Province of Manitoba since 1977 and a Professional Geologist

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registered with the Association of Professional Engineers and Geoscientists in the Province of British Columbia since 1992. The October 2007 resource estimate was prepared by NCL Ingenieria y Construccion S.A., Santiago, Chile in conjunction with Eduardo Magri, Ph.D. in mining engineering (Witwatersrand) and a Fellow of the SAIMM with over 30 years of industry experience. Mr. Gonzalez is an independent qualified person as defined by NI 43-101. A NI43-101 compliant technical report related to the October 2007 resource estimate prepared by Mr. Gonzalez is filed on the SEDAR system (www.sedar.com).

For further information please contact:

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FORWARD LOOKING STATEMENTS

This release contains forward-looking statements, including predictions, projections and forecasts. Forward-looking statements include, but are not limited to, statements with respect to results of due diligence, conclusion of legal documentation, exploration results, the success of exploration activities generally, permitting time lines, mine development prospects, government regulation of exploration and mining operations, timing of scoping-level studies, future share issuances, and title disputes or claims. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “planning”, “expects” or “does not expect”, “continues”, “scheduled”, “estimates”, “forecasts”, “intends”, “potential”, “anticipates”, “does not anticipate”, or “belief”, or describes a “goal”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the results of due diligence activities, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in Andina's publicly filed documents. Although Andina has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.